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Teams of investigators are being organized and briefed, and trial checks have been carried out to test the organization plans.

GOVERNMENT CAPITAL TO STABILIZE PRODUCTION -- Tientsin Jih-pao, 23 May 50

Since April 1950, the Central government has set aside a large amount of capital for buying up industrial products that have not been moving on the market, to keep industries producing and to keep employment up. Since the first of April, 34,100,000 yuan have been expended in this way, 20 percent for the products of publicly operated industries and 80 percent for those of private industries. Industries benefiting by the program include soda, glass, rubber, cigarettes, paper, and dye works.

A number of factories that were in danger of closing or having to make reductions in force have been enabled to proceed with full production and some that were closed have been reopened.

EAST CHINA TO PROMOTE PRODUCTION -- Shanghai Chieh-fang Jih-pao, 22 May 50

The mines and factories under the jurisdiction of the East China Department of Industries all produced more in April than in March 1950. Those which surpassed their goals during April include: mines, which exceeded their quotas by 28 percent; electrical apparatus plants, by 18 percent; fuel plants, by 15 percent; and steel plants, by 13 percent. Electric power production reached 87 percent of the quota; machinery, 69 percent; chemical engineering, 62 percent.

The following units met or exceeded their final production quotas during April: Huai-nan Coal Mine, Ma-an-shan Mining Office, Shanghai Steel Corporation, Asia Steel Corporation, Shanghai Chilled Castings Corporation, T'ung-yung Universal Machine Plant, Chien-hsing Prosperity Machine Plant, Shanghai Electrical Machinery Plant, Nanking Headlight Plant, Hua-t'ung Electrical Machinery Plant, and the Nanking Electrical Ceramics [Insulator] Plant.

The failure of some enterprises to meet their final quotas has been attributed to the fact that production goals in some cases were not comprehensively calculated, and also that output was affected by a reduction in business at plants in continuous production which were dependent upon market supply and demand.

To promote mine and factory production among private, public, and jointly operated enterprises; the East China Department of Industry plans to carry out the following program during May and June 1950:

1. Re-examine production policies in public enterprise to reconcile them with the demands of the national estimates.
2. Organize purchase-order contracts; adjust the disparities between production and marketing; arrange discussions among the monopolies; help private industry maintain production.
3. Within the various business units to:
 - a. Democratize administration; examine the process of meeting production quotas; establish, reorganize, or strengthen factory administration committees.
 - b. Carry out proposals for proper balance in production and effect movements for new goals in production; improve the preparation of production quotas and economic audit controls.

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c. Guarantee that rehabilitation processes will be carried out at the planned rate of progress and strive toward attaining goals ahead of schedule; guarantee the completion of purchase-order contracts on time or in advance and work toward developing market routes.

d. Complete the inventory of property in warehouses, the depositing of summer profits, and the general investigation of mining enterprises.

SEES IMPROVEMENT IN HONAN MARKETS -- Hankow Ch'ang-chiang Jih-pao, 23 May 50

With the stabilizing of prices, there is a slow, but steady, improvement in the business situation in Kaifeng and Chen-chou. While some people are still fearful that the price stabilization may be only temporary, the fact that bank deposits are shifting from goods to cash is evidence of growing confidence in people's notes. While merchants find smaller sales in some items, they know that profits on what they do sell are more dependable.

From 6 April to 15 April, there was a 60-percent increase over the period 26 March to 5 April in the amount of grain coming to the market in Cheng-chou, and the amount of grain changing hands was triple the amount of grain in evidence. There was also an advance in the amount of trade in Kaifeng except for tobacco and soybeans. There was also a large increase in textile and vegetable oil trade as well as other essential consumer goods in Honan Province.

The Hsin-i Textile Company, which moved from the coast to Cheng-chou, is at present unable to supply the demand for its product. By the addition of new spindles, the company increased production 14 percent during April, from 5,810 bales to 6,660 bales, and sales increased by 65 percent, to 7,840 bales.

Consumption of electricity by Kai-feng industry increased from 43,000 to 59,000 units during April. The 200 ironworks in Kai-feng are working day and night on agricultural implements.

The provincial authorities are carrying out an industrial investigation with a view to aiding business houses, and the monopoly trading companies are aiding by farming out various phases of their operations to private firms. The People's Bank is aiding with low-interest loans.

CANTON GOVERNMENT SETS UP REORGANIZATION COMMITTEES -- Canton Nan-fang Jih-pao, 17 Jul 50

The Canton municipal government committee on reorganization of industry and commerce has divided into a number of subcommittees, some of which have met one or more times with representatives of industry. The rubber and textile industries will receive primary attention in the organization, followed by leather, dyeing, and various subdivisions of the textile field.

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